

DEPARTMENT OF FOOD AND AGRICULTURE

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A.G. KAWAMURA, Secretary



September 20, 2007

NOTICE TO FEED INDUSTRY**Change in Feed Tonnage Tax Rate**

The Feed Inspection and Safe Animal Feed Education Programs are funded through a tonnage tax collected on commercial feed sold in state. The tonnage tax has historically fluctuated in keeping pace with the Program's revenue and operational expenses.

On June 21, 2007 the Feed Inspection Advisory Board (FIAB) reviewed program revenue, expenditure and operational reserve, then made a recommendation to the Secretary of the Department of Food and Agriculture to reduce the tonnage tax from fourteen cents (\$0.14) per ton to thirteen cents (\$0.13) per ton, effective October 1, 2007. The Secretary accepted the Board's recommendation.

The Program will implement the tonnage tax reduction accordingly, setting the rate at thirteen cents (\$0.13) per ton, effective October 1, 2007. You can expect to receive your third (3rd) quarter tonnage tax report (for October-December) reflecting this reduction in December 2007. It is projected that the proposed tonnage tax change will not have a negative effect on the program's cash flow.

Should you have any questions, please call the number above.

Sincerely,

Asif A. Maan, Ph.D., Branch Chief
Feed, Fertilizer, Livestock Drugs and Egg Regulatory Services
Inspection Services

AAM/rl

Enclosures